

life for the cause of freedom and my country. I feel great being an American. I am proud to be such and I humbly say thank you.

Besides the Congressional Medal of Honor, Calugas was awarded many additional military decorations, including the Asiatic Pacific Campaign Medal, the Distinguished Unit Citation with 1st and 2nd Oak Leaf Cluster, the Philippine Liberation Ribbon, the World War II Victory Medal, and an Ex-Prisoner of War Medal.

He also received many civilian awards, including the Honorary Citizen Award of Tacoma, Washington, the Key to the City of Tacoma, and the Medal of Honor Permanent Car License Plate Recipient, presented by then Governor of Washington, Dixy Lee Ray.

He is survived by his wife, four children, 11 grandchildren and 5 great-grandchildren.

It is an honor to acknowledge the life and bravery of Captain Jose Calugas and his courageous action under fire to preserve the freedoms we all hold dear.

#### TRIBUTE TO THE LATE HONORABLE EDNA J. KELLY

SPEECH OF

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 28, 1998*

Mr. GILMAN. Mr. Speaker, last month marked the passing of an extraordinary woman, former member of Congress, Edna J. Kelly.

Edna Kelly was the first woman elected to the Congress from Brooklyn, serving as a member of the House of Representatives from 1949 until 1968. During a political career that reflected her drive and dedication, Edna Kelly worked tirelessly to strengthen U.S. foreign policy and improve the economic status of the American family.

Strongly opposed to the spread of communism, Congresswoman Kelly served on the Committee on Foreign Affairs and was recognized as an expert on the Soviet bloc. She headed fact-finding missions all over the world in order to better inform the Congress and America of the potential threat of international communism and the importance of NATO.

Edna Kelly was also a great humanitarian. Her efforts included sponsoring the legislation that made the Peace Corps possible, and adding an amendment to the Mutual Security act that helped to resettle more than a million and a half eastern European and Russian people displaced by World War II.

Edna Kelly was committed to raising the standard of living of American families. She advocated tax deductions for low-income single parents and helped to bring the economic problems of women into the national consensus. She introduced the bill that established the concept of "equal pay for equal work."

Edna Kelly served as a role model to so many. Her legacy extends beyond her pioneering role as the first female elected to Congress from her district. Legislation she helped to pass is still of benefit to the American people today.

Mr. Speaker, I extend my deepest condolences to the family and friends of Edna Kelly and urge my colleagues to join in memorializing a great woman legislator.

#### TRIBUTE TO CHARLES A. GREENE

**HON. DALE E. KILDEE**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 3, 1998*

Mr. KILDEE. Mr. Speaker, I rise today before my colleagues in the U.S. house of Representatives to pay tribute to an outstanding citizen, Mr. Charles A. Greene. Mr. Greene will be honored by family and friends on Monday, February 2, 1998 in my hometown of Flint, MI.

A native of Alabama, Charles moved to Michigan at an early age and attended Detroit Public Schools. He moved to Flint to attend high school, living with his uncle and aunt Leo and Irene Greene. After graduation from Flint Junior College, Charles served his country in the United States Army. He then attended Texas Southern University and Wayne State Mortuary School earning a degree in Mortuary Science. Upon receiving his funeral director's license from the State of Michigan, Charles was named vice-president of the Greene Home for Funerals and eventually became President.

In addition to his many professional achievements, Charles has been active in a number of civic organizations, including the Big Brothers of Flint, the Boy Scouts of America-Tall Pine Council, the United Negro College Fund, and the Police Activities League. His professional affiliations include the Downtown Development Authority, both the Michigan and National Funeral Directors Associations, and the Black Funeral Directors and Mortician's Association. Charles was a member of the Bishop Airport Authority and was a 1974 Charter Commission City of Flint member.

Charles has always impressed me with his dedication to the youth of our community. On countless occasions he has served as a mentor to young people. His encouragement and support influenced many to succeed in school and go to college. I know that Charles was very honored to receive an Honorary Doctorate of Humanities from Selma University. His commitment to education and public service serves as outstanding examples of the positive influence one person can have in the lives of many. For more than 30 years, Charles has been a faithful member of Foss Avenue Missionary Baptist Church. I know that the congregation joins us in honoring him on this special occasion.

I know that Charles would want to point out that the love and support of his family have contributed greatly to his success. He is very proud of his children Chawn and Woodrow, his granddaughter Phaelon Elise, his sister's Sara, Jacquetta, Juanita, his brother Robert, and his Aunt Irene.

Mr. Speaker, it is indeed a privilege for me to rise today before my colleagues in the House of Representatives to honor Mr. Charles A. Greene. Without a doubt, our community is a much better place because of his dedication and leadership.

#### SENIOR CITIZENS NEED QUALITY HOME HEALTH CARE SERVICES

**HON. CHRISTOPHER H. SMITH**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 3, 1998*

Mr. SMITH of New Jersey. Mr. Speaker, on our very first day back in session, I joined with my colleague, Rep. JIM SEXTON, in introducing legislation to block the implementation of the Health Care Finance Administration's (HCFA's) new Medicare reimbursement program for home health care.

This new Medicare reimbursement program, known as the "Interim Payment System" (IPS), is based on an incomplete and inequitable funding formula which directly jeopardizes home health care agencies and the elderly they serve in my state.

The value of home health care is obvious. All of us intuitively know that enabling our seniors to receive quality, skilled nursing care in their own homes is preferable to other, more costly, sometimes isolated, settings. Senior citizens receive the peace of mind from familiar settings and their loved ones close at hand. And the cost savings to Medicare from proper use of home health care are considerable.

The legislation we have introduced (HR 3108) corrects several flaws contained in the IPS formula and assures fair and reasonable Medicare reimbursement for quality home health care. If left unchanged, the IPS will cut Medicare reimbursement for home health care in New Jersey by \$25 million in fiscal year 1998 alone. Several agencies in New Jersey could lose \$2 million or more in anticipated reimbursement for homebound Medicare patients.

One of the most unfair aspects of the IPS is that it seeks to treat efficient and inefficient home health agencies alike, despite the fact that average utilization rates in New Jersey's agencies—43 visits per beneficiary served in 1996—are far lower than the national average of 74 visits that year.

Because the IPS reimbursement rates for each home health care agency are linked to earlier utilization rates and costs, agencies that were efficient and honest all along still find themselves struggling to squeeze another 12 to 15 percent reduction in aggregate reimbursement rates from already lean operations—a very tall order indeed. Meanwhile, agencies in other parts of the country with abnormally high home health costs and utilization rates are permitted to use base year utilization rates that were badly inflated in the first place. Thus, they will continue to receive high reimbursement rates because they had inflated costs in the past. The IPS, therefore, effectively punishes efficient operations and does not comprehensively address the problem in areas with inordinately high home health utilization statistics.

For example, home health agencies serving senior citizens in NJ will only receive enough funding to provide as few as 30 to 35 visits per patient. Meanwhile, agencies in other parts of the country—such as Tennessee and Louisiana—may continue providing their patients with almost triple that number of visits at twice the cost per visit. Disparities of this magnitude are inherently unreasonable and unfair, and must be corrected.

Mr. Speaker, it is a simple fact of life that the home health care industry is very time and labor intensive. There are ways to restructure an agency's operations to make care-giving more efficient, but at a certain point, one cannot go any further without impacting the quality of care the patient receives.

In Ocean County, New Jersey—which is home to the greatest concentration of senior citizens in New Jersey—home health care agencies may only receive enough resources to provide as few as 30 visits per patient. The situation in Mercer, Burlington, and Monmouth counties is much the same: all will see an arbitrary capping of reimbursement for home care visits no matter the patient's condition. If New Jersey patients require, on average, more visits per patient than Medicare will reimburse, the quality of the care they receive could be jeopardized and an agency that is forced to continue providing uncompensated care will eventually risk bankruptcy.

The IPS is troubling for another reason: as initially implemented, the IPS gives providers a perverse incentive to avoid treating critically ill, chronic, or more expensive patients. Unlike a fully implemented prospective payment system (PPS), the Interim Payment System (IPS) makes no attempt to distinguish between agencies that are simply inefficient and agencies that are treating a disproportionately sicker patient population.

Our bill mitigates the damage set in motion by the IPS and will restore at least 60% of the reimbursement cuts announced January 1, 1998. To preserve the quality of medically necessary care for our seniors, our legislation mandates two changes to the IPS.

First, our bill will allow home health care agencies to use calendar year 1994—rather than fiscal year 1994—cost data as the base year upon which visits and reimbursement rates are derived. This distinction may seem technical but it is extremely important for states like New Jersey which do not run on the same fiscal year as the federal government. The practical result of the IPS fiscal year requirement is that it forces NJ home health agencies to use earlier base year data (1993) when complying with the IPS. The older the data, the greater the gap between the IPS settings and the actual needs in 1998. Older data also glosses over the growing trend to move patients out of acute care settings and into home health care programs. The IPS program should be based on the most recent, practical, data.

The second provision contained in our bill will protect home health agencies from a hidden cut in the Medicare home health reimbursement. Under the guise of "freezing" certain costs and prohibiting adjustments for inflation, the IPS actually goes beyond merely capping or "freezing" home health cost limits—it reduces total per-patient payments, too. If left unchanged, this "so-called" freeze provision will not only cut the anticipated inflation costs, but go below current per-patient reimbursements as well. To address this, HR 3108 requires HCFA to factor in medical inflation in IPS calculations.

Mr. Speaker, when HCFA first announced its changes to the Medicare coverage of home health care I sent a letter signed by the entire NJ Congressional Delegation to Nancy-Ann Min DeParle, the Director of HCFA, outlining three major problems with the IPS and asking that the agency not implement its proposal

until the formula was corrected. While one of our concerns has been addressed, the remaining inequities have not. I urge my colleagues to act swiftly on this legislation and move to protect homebound Medicare patients who are now at risk.

#### THE INTERNATIONAL MONETARY FUND

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 3, 1998*

Mr. HAMILTON. Mr. Speaker, I would like to bring to my colleagues' attention my monthly newsletter on foreign affairs from January 1998 entitled *The International Monetary Fund*.

I ask that this newsletter be printed in the CONGRESSIONAL RECORD.

The newsletter follows:

#### THE INTERNATIONAL MONETARY FUND

The chaos of the Great Depression, which led to the Second World War convinced American leaders that economic crises were key sources of international conflict. Presidents Roosevelt and Truman took the lead in creating postwar institutions to help stabilize economies, improve living standards, and promote peace. One of the most important of these is the International Monetary Fund (IMF). Though not perfect, the IMF is vital to U.S. interests today.

The IMF's purpose is to promote a stable international financial environment, a prerequisite for expanding trade and economic growth. The IMF gives financial advice to member countries. When countries have trouble balancing their books, the IMF provides loans in exchange for policy reforms. The typical IMF prescription calls for spending cuts, higher interest rates, and market-oriented reforms.

IMF loans come primarily from the pooled contributions of the Fund's 182 member countries. Each country's contribution, or "quota," is linked to the size of its economy, and quota shares equal IMF voting shares. Because important IMF decisions require an 85% majority vote, the U.S. voting share of 18% gives us a veto over decisions we oppose.

Contributions to the IMF have never cost U.S. taxpayers a cent. When the IMF uses the funds we provide, it gives us an interest-earning claim in return. U.S. contributions must be authorized by Congress, but they have no impact on the federal budget, and they do not require any spending.

The most recent U.S. quota contribution to the IMF, valued at \$11.9 billion, occurred in 1992. Last year, IMF members agreed to another quota increase. The U.S. share would be about \$14.5 billion. Two dozen IMF members, including the U.S., have also agreed to make additional funds available in an extraordinary crisis. The proposed \$3.5 billion U.S. contribution to this emergency credit line would require a budgetary outlay only if these funds were used and not paid back. The President will ask Congress to approve both IMF funding requests later this year.

U.S. interests. The IMF serves U.S. interests in many ways. First, it promotes stability and prosperity by helping countries work through economic difficulties. Second, the IMF helps sustain an international environment conducive to trade expansion and economic growth, which reduces poverty and creates profitable markets for U.S. exports and investment. Third, the IMF's loan condi-

tions usually require countries to adopt free-market reforms, which make them better trade and investment partners. Fourth, the IMF distributes the burden of stabilizing the international economy and responding to crises—a task that might otherwise fall to the U.S. alone.

For reasons of our own security and prosperity, it is not in the U.S. interest for the economies of our trading partners to collapse. The IMF uniquely possesses the policy expertise and resources to help avert economic collapse and keep the international financial system running smoothly. If the IMF didn't exist, we'd have to create it.

Criticism and changing roles. The IMF has long been a target of criticism. One leading criticism is that the reform conditions often attached to IMF loans—sharp budget cuts, for example—cause a lot of economic pain and do nothing to improve environmental, labor, or human rights conditions. The IMF could be more sensitive to the economic and social consequences of its reform prescriptions, but it is usually a country's economic "disease," not the IMF "cure," that causes most of the pain. Countries receiving IMF support have a tough enough time implementing required financial reforms. Asking them to achieve additional objectives during a crisis could make the crisis unmanageable. Furthermore, economic stability and growth will, over time, tend to improve environmental, labor, and human rights conditions.

A second criticism holds that the IMF shouldn't bail out those who make bad decisions. An expectation that the IMF will step in during an emergency will make investors and governments more careless, increasing the risk of future crises. IMF and U.S. officials agree that new strategies are needed to ensure that investors and creditors bear more risk for bad judgments.

A third and related criticism holds that we are better off doing nothing—letting markets clear. Market forces are beneficial, but they can swing to extremes. Too much is at risk to let markets alone resolve problems of financial instability. We recognized long ago that institutions such as the Federal Reserve System, the Securities and Exchange Commission, and the Federal Deposit Insurance Corporation protect the economy from the excesses of the market. Failing to mount an international bailout could inflict great economic pain on a lot of innocent citizens. A crisis in a major U.S. export market could cost many U.S. jobs.

A fourth criticism is that the IMF sometimes helps developing countries—such as those now in crisis in Asia—that compete aggressively with U.S. exports and labor. Yet withholding emergency support would only aggravate a country's crisis, further reducing the value of its currency. That would hurt U.S. exports and intensify the threat to U.S. workers posed by imports.

Finally, critics blame the IMF for failing to predict or prevent financial crises. The IMF says its effectiveness is hampered by countries that conceal bad economic data. To address this problem, the U.S. and other key IMF members are pressing for tough new disclosure standards.

U.S. policy. The U.S. can do several things to strengthen the IMF. First, Congress should approve the President's funding requests for the IMF, because its resources have been depleted by the Asian crises. Second, the U.S. must take the lead in strengthening the international financial system and creating an architecture to prevent and better manage financial crises. We need to ensure that investors and creditors pay a price for their mistakes, consistent with our broader interest in preventing economic catastrophes. IMF member countries must also be required to provide more accurate, detailed, and timely economic data. Third, the